



County of Los Angeles

CHIEF ADMINISTRATIVE OFFICE

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DAVID E. JANSSEN
Chief Administrative Officer

April 17, 2003

To: Supervisor Yvonne Brathwaite Burke, Chair
Supervisor Gloria Molina
Supervisor Zev Yaroslavsky
Supervisor Don Knabe
Supervisor Michael D. Antonovich

From: David E. Janssen
Chief Administrative Officer

Board of Supervisors
GLORIA MOLINA
First District

YVONNE BRATHWAITE BURKE
Second District

ZEV YAROSLAVSKY
Third District

DON KNABE
Fourth District

MICHAEL D. ANTONOVICH
Fifth District

FEDERAL LEGISLATIVE UPDATE

Federal Fiscal Year (FFY) 2003 Supplemental Appropriations Bill

Yesterday, President Bush signed into law, H.R. 1559, a \$79 billion FFY 2003 supplemental appropriations bill, which primarily funds the Iraq war. Of County interest, the bill includes added funding for state and local homeland security activities, including:

- \$1.3 billion in domestic preparedness formula grants to states that must be awarded to states within 60 days. Each state must transfer at least 80 percent of its grant award to local governments within 45 days after receiving it. These funds are in addition to the \$566.3 million in grants that was announced in March 2003.
- \$200 million in critical infrastructure protection formula grants to states that must be awarded to states within 60 days. Each state must transfer at least 50 percent of its grant award to local governments within 45 days after receiving it.
- \$700 million in discretionary grants for use in high-density urban areas, high-threat areas, and in protecting critical infrastructure. In making these grants to state or local governments, the Department of Homeland Security (DHS) is to consider "credible threat, vulnerability, the presence of infrastructure of national importance, population, and identified needs of public agencies." A state must transfer at least 80 percent of its grant to local governments within 45 days after receiving it.
- \$109.5 million for grants to state and local governments to improve interoperable communications.
- \$100 million to assist state and local public health departments with costs associated with the smallpox vaccination program.

The bill requires that the domestic preparedness and critical infrastructure formula grants be allocated subject to Section 1014 of Public Law 107-56 (the "USA Patriot Act of 2001"), which provides that each state shall receive at least 0.75 percent of the total amount appropriated in a fiscal year for state and local domestic preparedness. It also provides that funds may not be used for the construction or renovation of facilities, but that the \$200 million in critical infrastructure grants and \$700 million in discretionary grants shall be available for operational costs, including overtime costs.

The \$700 million in discretionary funds available to high-density and high-threat urban areas are in addition to the \$100 million in funding that is being released this year under the DHS' "Urban Area Security Initiative." As seen in the attached DHS press release, seven urban areas will receive funds under this initiative, including the City of Los Angeles which will receive \$12.42 million. Washington Advocate Franklin Logan reports that a DHS official indicates that the City was chosen as the recipient of funds because it was seen as having primary responsibility for protecting most of the perceived high-risk threats in the Los Angeles area. This initiative was funded using \$100 million for "High Threat Urban Areas" included in the omnibus FFY 2003 appropriations bill.

Pursuit of County Positions on Allocation of Homeland Security Funds

The DHS will have considerable discretion over how the \$700 million in discretionary grants to high-density, high-threat urban areas will be allocated. The funds may be awarded to states or localities, including more than one jurisdiction in an area. Pursuant to policies supporting the direct allocation (or state pass-through) of homeland security funds to counties included in the Federal Agenda adopted by the Board on February 3, 2003, **the County will pursue funding for homeland security activities in Los Angeles County under this new grant program.**

The County coordinates emergency and terrorism response, planning, and operations throughout all 88 cities and unincorporated areas of Los Angeles County. Because the County is the coordinator of the Los Angeles County Operational Area, the State passes through Federal domestic preparedness funds to the County, which, in turn, decides how funds are used in consultation with local stakeholders, including city officials. The County also is one of only four local jurisdictions that directly receives Federal bioterrorism public health and hospital preparedness grants. To ensure the coordinated use of homeland security funds and because critical infrastructure and potential terrorist targets are spread out throughout the County, all of Los Angeles County should be designated as a high-density, high-threat urban area, and the County should administer the grant for the area.

Based on policies in the Board-adopted Federal Agenda supporting the use of the latest available demographic data to allocate formula grant funds and a greater share of total available Federal funding to California, the County also will pursue changes to how DHS allocates FFY 2003 formula grant funds. For one, DHS should use the latest available state population data as of July 1, 2002, which the Census Bureau released in December 2002, to allocate FFY 2003 domestic preparedness grant and critical infrastructure formula grant funds. When DHS allocated the \$566.3 million in FFY 2003 domestic preparedness grant funds in March, it used 2000 Census data rather than more recent data. This penalizes states, such as California, whose population has grown faster than the national average since April 2000.

In allocating the \$566.3 million, DHS also implemented the 0.75 percent small state minimum guarantee in a manner that severely penalized California. In allocating those funds, DHS first allotted 0.75 percent of total funding to each state, and then allotted the remaining funds on a per capita basis. Under this methodology, all states received at least 0.85 of total funding, and the larger a state's population, the less a state's per capita funding. Because California is the most populous state, it received the least amount of funds per capita. The State received only \$45 million (8 percent) of the \$566.3 million even though it had over 12 percent of the total U.S. population as of July 1, 2002.

The County will urge that DHS, instead, should use the normal Federal methodology for meeting a small state minimum requirement. Using the normal methodology, allocations first would be calculated based on population, and then allotments to states which, otherwise, would receive less than the small state minimum of 0.75 percent would be increased to 0.75 percent of total funding while allotments to other states would be ratably reduced. Under this methodology, except for small population states whose allotments are increased to 0.75 percent of total funding, all states would receive the same amount of funds per capita. California no longer would receive the least amount of funds per capita of any state.

We will continue to keep you advised of any new developments.

DEJ:GK
MAL:JF:MT:ib

Attachment

c: Executive Officer, Board of Supervisors
 County Counsel
 All Department Heads
 Legislative Strategist